

ASSEMBLY, No. 5394

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED FEBRUARY 23, 2021

Sponsored by:

Assemblyman BRIAN BERGEN

District 25 (Morris and Somerset)

SYNOPSIS

Allows real estate salespersons and broker-salespersons to form limited liability company to receive commission income.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning real estate brokers, broker-salespersons and
2 salespersons, and amending R.S.45:15-16.

3

4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6

7 1. R.S.45:15-16 is amended to read as follows:

8 45:15-16. a. No real estate salesperson or broker-salesperson
9 shall accept a commission or valuable consideration for the
10 performance of any of the acts herein specified, from any person
11 except his employer or contracting broker, who must be a licensed
12 real estate broker.

13 b. A real estate salesperson or broker-salesperson may form a
14 limited liability company pursuant to the "Revised Uniform Limited
15 Liability Company Act," P.L.2012, c.50 (C.42:2C-1 et seq.), or any
16 other entity permitted by law, in order to receive a commission or
17 other valuable consideration pursuant to subsection a. of this
18 section.

19 (cf: P.L.2018, c.71, s.12)

20

21 2. This act shall take effect immediately.

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23

24 STATEMENT

25

26 This bill allows real estate salespersons or broker-salespersons,
27 to form a limited liability company, or any other entity permitted by
28 law, to receive commission income from the licensed real estate
29 broker with whom the salesperson is contracted to provide his or
30 her services. The specific permission for a salesperson or broker-
31 salesperson to operate through a limited liability company is
32 intended to eliminate any confusion as to whether they may take
33 advantage of the pass-through business income deduction made
34 available under section 199A of the Federal Internal Revenue Code
35 as part of the federal tax reforms of the 2017 "Tax Cut and Jobs
36 Act."

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.